

I think you need to think of the history of past campaigns, of what can happen to spending or tax policy enunciated in a campaign—but not carried out after that President is elected, as evidenced by President Clinton in 1993, passing the biggest tax increase in the history of the country—and those are Senator Moynihan's words—contrary to the middle-class tax cuts he promised during the campaign. I hope Senator OBAMA is not up to that same game. But voters ought to be alerted to it, ought to be alerted, too, to make sure, as to things Senator MCCAIN is saying, that if he is President, you have that to measure against. We need to keep candidates intellectually honest, not to promise too much on the campaign trail; when they get sworn in, they do not have so many promises to keep. But we should expect Presidents to keep promises.

More importantly, a President McCain or a President Obama is likely to be dealing with expanded Democratic majorities on Capitol Hill. That gets me back to my tax increase thermometer and what it has told us over the past 20 years: that with a unified Democratic Government, taxes are likely to go up, as evidenced by the top of the thermometer shown on this chart. At the highest level of tax increases, you get that when you have a Congress and a President that are both under Democratic control, as evidenced by the 20-year history. Spending is not likely to go down because whether Republicans are in control of Congress or the Democrats, the inclination of Congress is not to cut spending. That is not right, but that is a fact of life, and a President who wants to veto bills is a damper on that.

In closing, I would like to review the issues I have raised today very quickly. Many folks are asking about the fiscal impact of the tax plans proposed by Senator MCCAIN and Senator OBAMA. The Tax Policy Center has produced data looking at the proposals against current law. Both candidates implicitly acknowledge current law is not a realistic measure. With that noted, the Tax Policy Center has examined the proposals against the more realistic baseline—current tax policy. If unspecified revenue raisers are deducted from both plans, the deficit impact of both plans grows. Likewise, we find the gap in deficit impact between the two plans narrows.

We cannot ignore the deficit impact of the spending side of each candidate's plan. Senator OBAMA's plan outspends Senator MCCAIN's plan by over 500 percent. When Senators MCCAIN's and OBAMA's plans are combined, Senator OBAMA's plan adds more to the deficit. In this troubled time, the Federal Government has stepped into the breach of the financial sector meltdown—all the more reason we need to closely scrutinize the tax and spending policies of our colleagues, Senators MCCAIN and OBAMA.

Mr. President, out of respect for my colleagues—I had more to say, but it

was in a little different version—I am going to give up the floor. But is anybody on the record to speak after the Senator from Michigan is done?

The ACTING PRESIDENT pro tempore. There is no unanimous consent request.

The Senator from Iowa has 1 minute remaining, also, I would notify him.

Mr. GRASSLEY, Senator HARKIN?

The ACTING PRESIDENT pro tempore. No. You have 1 minute remaining. There is no unanimous consent request after Senator STABENOW.

Mr. GRASSLEY. How much time do I have?

The ACTING PRESIDENT pro tempore. The Senator has 1 minute remaining.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to have the floor for 5 minutes after the Senator from Michigan speaks.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The Senator from Michigan is recognized.

THE ECONOMY

Ms. STABENOW. Thank you, Mr. President.

Mr. President, today I wish to speak in support of what I consider to be the people's benefit, the people's bailout we have in front of us—a jobs stimulus—that we are going to be voting on shortly to invest in jobs in Michigan and all across the country and why we need to be doing that, why we need the President to finally support us in doing that, and why we need to have bipartisan support to do that. But first I wish to share with you some of what the people in Michigan are feeling right now about what is going on.

We in Michigan have known for a long time that things were not going well, that the fundamentals of the economy were not strong. We have known for a long time. I have been sounding the bell. Other colleagues of mine here in the majority have been sounding the bell. We have been putting forward solutions in the last 18 months, holding investigative hearings, proposing strategies to address the housing market and what needs to be done for jobs in the future. All we have heard from the other side of the aisle, from this President, has been: The fundamentals of the economy are strong. And now, all of a sudden, they come to us and say we are at the edge of a cliff. Well, unfortunately, I believe we are.

Contrary to all of the information or misinformation that was given to us in leading up to the war in Iraq, where, after listening very carefully and intently, I did not believe what was being said about the crisis or sense of urgency and voted no, in this case, where we are hearing from people around the country and I am hearing from people around Michigan in terms of what is happening—the inability to get credit

to be able to start a business, what is happening in terms of potentially more job loss—I think this is, in fact, a crisis.

But what is outrageous to me is that this is not an accident. This is a crisis that has been brought forward because of a failed philosophy and a failed set of policies that have got us to this point. People in Michigan are mad about it. And I am mad about it. I am mad about the position in which we now find ourselves because, in fact, if people cannot get a car loan, my auto dealers are not going to be able to stay in business, my auto workers are not going to be able to have the opportunity to build those great automobiles. So I know this is serious. If, in fact, folks cannot get a college loan, that impacts the families whom I represent. If they cannot get a line of credit, if somebody takes an early out at one of our auto companies and decides they are going to set up their own small business and they cannot get credit, they cannot get a line of credit to set up that business, they are in trouble. My communities are in trouble. But what is an outrage is what has gotten us to this point and the fact that when families in Michigan have been not only on the edge of the cliff but falling off the cliff—thousands of them a month, losing jobs, losing homes, can't get the health care they need for their family, squeezed on all sides—we haven't been able to get the support from this administration or the bipartisan support we have needed to be able to help the families who fall off a cliff every day. So the people in Michigan are mad, and I don't blame them, because I am mad too.

We have had a failed set of philosophies that has gotten us to this point. While we know now—or I believe that—unfortunately, we do have to do something because the people in my State are ultimately going to see their jobs gone if we don't. I also believe it is incredibly important that we investigate, and that we demonstrate that we know what happened, the policies that failed, and that we are not going to let it happen again. I believe, frankly, there is only one way to do that, and that is by changing the philosophy, changing the White House in this country.

But let's look at where we are: massive deregulation. I know from the great State of Ohio, the Presiding Officer faces the very same concerns I do. Massive deregulation: Let's not watch what is going on. No accountability. Tax breaks for the wealthiest Americans, while middle-class people lose their jobs, and then step back and let greed roll. Let greed reign, with no accountability.

Now, that is what has gotten us to this point. People can try to mask it over in a thousand different ways, but the facts are the facts. This philosophy—the Republican philosophy of deregulation, coupled with more concern about tax cuts for the wealthy than what is happening to our country in

terms of debt or investment, has gotten us where we are. The reality is that the American people one more time are in a situation where they are going to pay for it if we act and they are going to pay for it if we don't act. So we have to sort through what is the most responsible way to proceed when we know that American families are counting on us to get it right.

I received an e-mail from my brother last night—a small businessman in Michigan, working hard every day. He raised two great daughters; one is in college and one is out. He understands what it is like to try to pay the bills. He sent me an e-mail from a friend of his who has been going around—and this will give you an idea about what people in Michigan feel about all this. Just with AIG alone, what was done in terms of the bailout for AIG—\$85 billion, my brother's friend sent an e-mail that said: You know, they figured out that if you looked at every American 18 years of age or older and you divided that money up, and then you took minus taxes, because everybody in America is playing by the rules and is stepping up and paying their taxes, and what you would end up with for every American 18 years of age or older, just from that one company: \$297,500—Mr. President, \$297,500, just from that one company, or a husband and wife: \$595,000.

Now, what could a family do with \$595,000? Could they buy a house? Could they start a business? Could they make sure their kids can go to school and come out without a bunch of debt? Maybe it is as simple as making sure you can pay the gas payment, the heating payment, and put food on the table and know you don't have to go to sleep at night and say: Please, God, don't let the kids get sick.

We know financial markets are complicated and it is not that easy. I wish it were that easy, because I would be happy to do that. I wish it were that easy, but we know it is not.

We know what has been built here, because of deregulation and lack of oversight and irresponsibility, has been a house of cards, and it is complicated. People don't even know who holds their mortgage now and, chances are, it is divided up and lots of different folks have it somewhere, and you can't even figure out how to negotiate to be able to keep your home. But we know it is complicated, and we also know the reality is in the American marketplace that if credit is not available, then businesses can't keep the payrolls going, which is where the rubber meets the road, and what I care about, and I know the Presiding Officer cares about.

So this is serious. This is serious. We do need to fix it in a responsible way. But you know what. We also need to express the outrage people feel about getting us to this point. We have seen 605,000 people and counting since January alone lose their jobs, a lot of them in my State of Michigan where we have 8.9 percent unemployment and count-

ing; 605,000 people since January. I have been on the floor I can't even count how many times talking about the fact that we need to focus on good-paying jobs. For those who lost their jobs, we need to extend unemployment compensation so they can pay the mortgage and stay in their house while they are trying to find another job. Our economic stimulus plan that is before us now, put forward by our leader, Senator HARRY REID, and Senator BYRD and the Democrats, extends that unemployment compensation and is absolutely critical. But it is even worse than that, because we have had 8 years—8 years—of not paying attention to middle-class families. In manufacturing alone, in the great State of Michigan, in the great State of Ohio, people who not only make automobiles but appliances and furniture and all the things that keep the economy running, have been overlooked. We have lost 3.5 million jobs; in fact, that number is going up. Even as we have this chart, I think I saw a new number that said 3.8 million. This number keeps going up and up and up, of lost manufacturing jobs since this failed Republican strategy started in 2001.

So we all understand we are at the edge of a cliff, but we have a lot of people who have fallen off already and are saying: What about me? What about my family? What are you going to do about my family? Don't I count anymore? Is it only the wealthy people who count? Is it only the people on Wall Street who count? What about me, and what about my family?

That leads me to the economic stimulus plan that has been put before us, because this is our downpayment as the Democratic majority, and I am so hopeful it is going to be bipartisan. I am so hopeful. This is a downpayment on the fiscal relief for the help the American people need. Now, it is about 8 percent of the bailout of the fiscal crisis situation that we are being asked to deal with; about 8 percent of the \$700 billion is what we are asking for with this amount.

Mr. President, if I might receive unanimous consent for an additional 2 minutes. I realize you have the gavel.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Ms. STABENOW. Thank you very much.

What we have in front of us is the ability to come together and—I see people of goodwill. I see our leader on finance, our ranking member, and we work together all the time. I am hopeful we are going to come together on this one.

We have in front of us the ability to create jobs with this package. Overall, the cost of it is only 8 percent of what we are being asked to do to deal with the overall financial crisis. It is not clear whether it is going to work, what we are being asked to do in the broader sense, but I tell you what: This will work, because this will put people back

to work. This will extend unemployment compensation. It will invest—and I wish to thank our leadership for taking my recommendation—in advanced battery technology research, which is part of how we get to the advanced vehicles, to invest \$300 million so we can claim that technology, so it is not being made overseas. Jobs and rebuilding America are in this plan. It is only 8 percent of what we are being asked to do to be able to deal with the crisis in the financial markets. I know that is real. I know it is. I know we have to deal with a responsible plan. But, frankly, this is about making sure we deal with the crisis in the lives of families every day, and it is the least we can do.

We need a responsible plan for the broader crisis: No golden parachutes for CEOs; we need to help homeowners; We need to have accountability. Frankly, we need to investigate and find out exactly what happened and who is responsible and hold them accountable. Because the American people are watching to see if we are going to also pay attention to what is happening; the crisis in their lives. This stimulus package we have in front of us right now is a first step to doing that, to say: We hear you. We get it. It matters what happens in people's lives. I hope we are going to support it.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, it is my understanding that the Senator from Iowa deferred in order to finish his speech in a very short period of time. I ask unanimous consent that when he finishes, I then be recognized for not more than 10 minutes, and then the senior Senator from Washington be recognized after me.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The Senator from Iowa is recognized.

AMT

Mr. GRASSLEY. Mr. President, there is a provision in the bill we passed Tuesday on taxes with only two dissenting votes that hasn't been discussed much, and I wish to refer to that provision. It is a modification of the alternative minimum tax credit allowance against incentive stock options. So the important words there are "incentive stock options." Because of how stock options are treated by the AMT, the economic downturn in 2000 created a situation where many individuals owed tax on income they never realized. This is because they owed tax on the value of their stock options when they were exercised and not on what the value of the stock actually was when the shares were sold. Many people owed tax that was several times their actual income. Congress acted to remedy this situation through past legislation, but that did not completely